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SIPDIS

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(JMONSERRAT)

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SUBJECT: PROGRAM REPORTING: SPEAKER "THE IMPORTANCE OF ETHICS IN
PUBLIC SERVICE AND FINANCIAL DISCLOSURE REPORTING OF GOVERNMENT
OFFICIALS IN THE FIGHT AGAINST CORRUPTION"-- TRACKER 24270

1. Hiram Morales Lugo, Executive Director of the Puerto Rican Office of Government Ethics, and Vivian Sanes, Director of the Financial Reports Auditing Bureau of the same office, visited Peru from 21-22 July to conduct a workshop on financial disclosure reporting. The purpose of the program was to exchange experiences on financial disclosure regulations, standards of conduct, and other ethical matters with a group of 35 representatives from the Peruvian Comptroller's Financial Disclosure Reporting Bureau, who are responsible for reviewing all financial disclosure reports for most public servants and politically appointed officials. This program was part of Post's efforts to aid the Peruvian government in their anti-corruption initiatives and also to follow-up on a program conducted with Barbara Mullen-Roth in November 2004. So far, Post has seen excellent results. Currently the Comptroller's office is proposing legislation that would overhaul the financial disclosure reporting form.

2. During their stay in Lima, Mr. Morales and Ms. Sanes conducted a two-day intensive workshop at the Comptroller's National School and had a representational lunch, hosted by ACAO, with key PAS anticorruption contacts. The first day of their program, Mr. Morales gave a lecture to over 200 representatives from the private and public sector on the importance of ethics, transparency and good governance. The second day, he had a press interview with Official Gazette El Peruano (Lima daily circulation 12,900), which was published on page 6 of its 1 August edition.

Mr. Morales and Ms. Sanes developed a well-structured program, which included topics such as the receipt, registration and auditing of financial disclosure forms, the powers and mechanisms to lift bank confidentiality, officials who must file the forms, information contained in the forms, the laws that regulate them, the criteria used to select the financial reports to be audited, the software used, and practical cases. During their presentations, they highlighted the importance of exchanging information with other government institutions and stressed that training was essential in preventing, detecting, investigating, and punishing acts of corruption. Before closing the workshop, Mr. Morales applauded the accomplishments made by the Peruvian Comptroller's Office since his last visit in June 2002. He also encouraged them to continue improving the financial disclosure system to provide a useful tool for detecting and preventing conflicts of interest as well as possible cases of illicit enrichment. Mr. Morales and Ms. Sanes' ample experience and knowledge allowed them to provide thorough explanations and to respond all questions from the audience.

3. Results: As a result of Post's cooperation with the Comptroller's Office, a bill has been introduced in Congress to modify the Constitution to give the Comptroller General access to government officials' confidential bank and tax information. A second bill, to establish an annual fixed date when public servants must file their financial disclosure forms and to require that public servants file reports within 30 days of their termination date, will be presented to Congress later this year. This bill will also set up administrative sanctions such as late filing fees for those who fail to submit their reports or submit them without meeting the established terms and conditions.

4. U.S. support: Program was funded with FY05 I bucks. Our appreciation to IIP/T/ES, Gretchen Christison for her close coordination with post. Post highly recommends Mr. Morales and Ms. Sanes and will request follow-up DVCs with them.

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